

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF MASSACHUSETTS

MICHAEL J. FLYNN,
Plaintiff

v.

LAFAYETTE RONALD HUBBARD,
a/k/a L. RON HUBBARD,
Defendant

NO. 83-2652-N

DECLARATION OF
EARLE C. COOLEY

I, EARLE C. COOLEY, hereby state under the pains and penalties of perjury that I have personal knowledge of the following:

1. I am an attorney, licensed to practice in the Commonwealth of Massachusetts and specially admitted to practice law in the State of Oregon. I have been an active trial attorney for 28 years.

2. I am co-counsel for the Church of Scientology of California in a trial in the Circuit Court of the State of Oregon, County of Multnomah (Julie Christofferson - Titchbourne v. Church of Scientology, Mission of Davis, et al. -- "Christofferson")

3. Gerald Armstrong has been a witness for the plaintiff in the Christofferson case. He testified on direct examination for two days and on cross examination for over five days. I was present for the entire testimony of Mr. Armstrong and personally cross examined Mr. Armstrong on the witness stand. Consequently, I am extremely familiar with his testimony.

4. During the course of Mr. Armstrong's testimony, a video tape of Mr. Armstrong surreptitiously conspiring with a Church of Scientology staff member whom Armstrong believed to be an opponent of current Church of Scientology management was introduced into evidence and played to the jury. Also, several documents in Armstrong's own handwriting were introduced into evidence. Transcripts of trial proceedings in Christofferson are currently not available for dissemination pursuant to an order of the Court regarding witness sequestration. Transcripts of Armstrong's testimony will be provided to this court at the conclusion of the Christofferson trial.

5. Mr. Armstrong's testimony and evidence presented in documents and on video tape clearly show Michael J. Flynn, the plaintiff in the instant case, to be directing and supervising the "running" of Gerald Armstrong as a covert intelligence operative in order to accomplish the goal of replacing the Church's current management with one

that would, as one of its first official acts, settle Flynn's lawsuits against the Church. The means to accomplish this coup would be the following: stealing documents from the Church to serve as models for forgeries; planting the forgery of false incriminating evidence in Church files, orchestrating a coup in which agents of Flynn, Armstrong and the U.S. government would wrest control of the Church of Scientology from its lawful management, instigating trumped up criminal investigations aimed at obtaining indictments of L. Ron Hubbard and Church of Scientology leaders, stealing of attorney-client privileged communications consisting of legal strategies, a bizarre plot to entrap and destroy a senior Scientologist by means of sexual seduction and blackmail and finally conspiring to suborn perjury in order to keep this massive sordid criminal conspiracy under cover.

This pernicious conspiracy came to light through the police authorized investigation by an attorney and a licensed private investigator who were working for the Church of Scientology of Toronto. They video-taped with sound recording two meetings between Armstrong and a Church of Scientology staff member posing as a disaffected member of a cell known as the "Loyalists" working within the Church to covertly take over current management. Armstrong made contact with a "Loyalist" named "Joey" and explained to Joey his and Flynn's plans for covertly and illegally attacking

the Church of Scientology and L. Ron Hubbard. Joey and the Loyalists were created only after the Church learned of Armstrong and Flynn's desire to get an inside source within the Church.

In the course of his contacts the investigator was able to obtain several video tapes of conversations between Armstrong and Joey. These tapes were admitted into evidence in the Christofferson trial and transcripts of the recordings are attached as exhibits to this Declaration. This Declaration also includes not only summations of Armstrong's testimony from the witness stand about these matters but also data taken from materials passed to the Loyalists by Armstrong. The documents referred to here and attached as exhibits were also presented to the Christofferson court.

As these materials are extremely revealing of a major conspiracy against L. Ron Hubbard and the Church of Scientology, it is important that they be studied in their entirety. Accordingly, the two transcripts of the video-taped meetings between Armstrong and Joey are attached as Exhibits A and B. However, recognizing their length and in the interests of judicial economy I have included highlights from these documents in the body of this declaration in order to enumerate the specifics of the conspiracy uncovered:

["GA" is Gerald Armstrong. "J" is Joey]

A. Stealing documents from the Church in order to obtain models from which to make forgeries to be planted in Church files:

J: You wanted I HELP [International Hubbard Ecclesiastical League of Pastors] stuff.

GA: Yep (starts making notes while looking at the doc J is showing him).

J: And I have a whole bunch of documents here and samples of different kinds. I can give you these.

GA: Good (laughs). This is ... ah like a kid in the candy shop.

J: I hope I got what you wanted here.

GA: Oh, so far we're looking great.

J: OK, you want to take a look at them. I haven't really studied them closely but maybe I can help you answer any questions.

GA: You know, I won't waste your time right now with going over all of this, because I know as I go through it and study it and study the

legalese, I'm going to have a lot of questions.
Mike's going to have a lot of questions, OK?

J: Yeah.

GA: To ask the questions at this point before I digest this stuff, it doesn't make any sense to me.

J: Great, now...

GA: But...

J: ...I need to know, like, what your strategy is regarding these type of things and what we're looking at doing (showing him the docs).

GA: Well, I got a view, of course, from you, of course, that someone, at least, considered that I HELP was you know, their Achilles heel, as it were. (Laughs) So we thought, 'shit, shouldn't I get some I HELP materials,' so hence I asked. Now issues, I wanted to know number one, how they're run off, what the type face is like, are these like this? You know...

J: These are the real McCoy's.

GA: You see, because I think that during a part of this, we can simply create these, you know,

I can create documents with relative ease
(laughter), you know, I did it for a living!
(laughs again)

J: (Laughs) Great, so what kind of stuff are we
going to want to create and who's going to get
it...

GA: That's what we need to talk about!

[Transcript of video recording, Nov 7, 84, page 3-4]

B. Attempting to forge documents and plant them in
Church files for the following purposes:

1) To discredit the Church's evidence implicating
Flynn in the theft and forgery of a \$2,000,000.00 check from
the account of L. Ron Hubbard by means of placing phoney
documents in Church files.

2) Falsely implicating L. Ron Hubbard and Church
leaders in non-existent acts against Mr. Flynn.

"You see, because I think that during a part of
this, we can simply create these, you know, I
can create documents with relative ease
(laughter), you know, I did it for a living!
(laughs)"

[Transcript of video recording, Nov 7, 84, page 4]

"...it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm saying that I can do it. I can type those goddamn things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

[Transcript of video recording, Nov 9, 84, page 10]

"And once you've...here's the way I potentially see it: let's say that this woman did decide to back this thing, and she figured that - might as well do something with my life, might as well get off the great rich fence and grovel with the boys for a while, and what if she decided, and she said, 'Well shit, I'm going to finance some of this.' Well we could set up a press and we could produce issues, and then we could set up a network, and we could have communication lines running outside the organization."

[Transcript of video recording, Nov 9, 84, page 8]

GA: That's exactly the sort... the CSW [the name given to a form of internal Church of

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Scientology memorandum] is the greatest weapon you guys got. You know, the CSW about the situation with the PI's given that someone is in a position that they would be doing such a thing. I think you know, how about if I've got a letter that Eugene Ingram [a private investigator who has done extensive work for the Church of Scientology, including an investigation of Michael Flynn's involvement with an attempt to pass a \$2,000,000.00 check on the account of L. Ron Hubbard] works for L. Ron Hubbard, you know. OK. OK, then you say, well let's say you guys have the information somewhere that Brackett Denniston of the US Attorney's Office felt that this whole thing was a set up, and then you say, 'Well we can't have that problem. Here's this letter out there saying that he works for Hubbard. We can't endanger the Source [a colloquial Scientology reference to L. Ron Hubbard, the Founder of the religion and the Founder of the technology of Scientology]. We have to act. So, therefore here's my proposal. 'And just the fact of having that goddamn proposal of some guy standing up and saying, 'I've got to defend Source,' you've got such incriminating

information in the CSW, you follow? Even if they responded at all, they're acknowledging that this is, that's true.

J: So we put a letter together sayin' that...

GA: I'm saying a CSW and you keep your copy of the CSW. They're goin' to come around hunting: "Where the fuck is it? Ah, shit, got rid of it all" -- except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. Never, there's no problem bringing stuff in. Right? You could bring stuff in, and maybe you can't sit at your desk and type it. I don't know, I don't know the demographics and the geographics and anything else in the place, but it seems to me that it's a much more high security deal than it was. Am I right?

J: Yeah, a little difficult, just, in getting things typed -- typing, you're sitting typing and typing things out...

GA: Exactly...

J: ... and someone walks in, "What's happening here?" What are you going to say?

GA: But just maybe that sort of stuff can be done, issues could be created, stuff can go in. But, I mean I'm not really saying create incriminating evidence of which there are no facts, you know; but just to write about the speculation.

[Transcript of video recording, Nov 9, 84, page 11-12]

C. Orchestrating a coup within the Church to overthrow current management by getting a group within the Church to file a lawsuit drafted by Flynn designed to obtain a receivership on all properties and assets based on phoney allegations--with no factual support beyond what would be planted in Church files-- and having the newly installed junta immediately settle all of Flynn's litigation, handing over to Flynn millions of dollars:

"I don't know if it makes sense to you to sort of divide up the organization and, uh, go after people on that basis. Just so that you know, "Shit, we have this group covered," and then divide it up structurally so that you have all the various key points which have to be covered. I think that you guys will be able to take over and then use operating income to continue the

battle. And that way you can secure the buildings, take it over, and I think that it's going to take that kind of thing..."

[Transcript of video recording, Nov 7, 84, page 22]

GA: OK. Anything else?

J: Yeah. The committee was interested in, you mentioned to me a long time ago, you saw, like the -- that you were sort of like the "Meisner" [a government informant involved with the 1977 raid on the Church who provided information against the Church of Scientology] of the Toronto raid, right?

GA: Yeah.

J: We file this suit, so whoever files it will sort of be like the "Meisner" here, again. Is that right?

GA: Well, this is a different thing. Mike [Flynn] was pretty adamant last night. Did you get the message from Dan [another member of the "Loyalist" group], about Mike's concern?

J: Yeah.

GA: Right. The difference is this: Meisner took off, right?

J: Yeah.

GA: I took off. Franks took off. Laurel took off. First Nelson took off. Mayo took off, OK? Every one of those people took off. We are all Meisners. You guys are not, because you have it within your power to stay there. You have it within your power to simply say, 'We are not moving.' If you guys get pushed around, Mike's recommendation was do not leave, stay there. Say, 'We are the organization.' And also if you want to, from here on out, set up a communication line with me, so that if I'm not called every 24 hours, then I know to get the Feds and get down on the fucking doorstep.

[Transcript of video recording, Nov 9, 84, page 14]

"Well, my purpose initially is global settlement. I want that. I've done this shit now for going on three years, and even longer before that when I was inside."

[Transcript of video recording, Nov 7, 84, page 13]

Armstrong, on cross examination in Christofferson,

admitted that Michael Flynn drafted the attached suit (Exhibit C) which was handed over by Armstrong to a group within the Church for filing in order to wrest control of the Church from current management. He further stated in his own handwriting that despite the insiders inability to document alleged crimes within the complaint, it would be sufficient to simply allege the acts occurred.

He admitted to authoring the attached document, dated 11-8-84, which he passed on to the group inside (Exhibit D):

"To answer your questions:

1. Timing is ideal a day or a very few days, following any indictments.
2. This is the way to get a Court to act with urgency re accts [accounts]: 'the key is the affidavits on the expenditure of funds and the tranfer of funds to ASI, as the complaint really makes clear,' 'The transfer of funds and the illegal expenditure of funds to the PI's and lawyers -- all the crap they're involved in."

....

"Let me make one thing very clear. You don't even need to prove that. That's what gives the Court urgency [emphasis in original] to move immediately [emphasis in original]. Across the country there are hundreds of cases, the issue in which has solely been a fight for control of the money. Even where one party is not doing anything wrong with it. They simply disagree over who should have control."

D. Stealing attorney-client privileged Church communications and attempting to "penetrate" the Church's Legal area in order to gain access to the Church's strategy and plans involving its litigation with Mr Flynn.

GA: The two notes there. One has a bunch of questions. These are my, what is it you call it, a shopping list.

J: Right. Your questions are on the back.

GA: My questions are on the back, yeah.

J: How much pay to Ingram, by whom, what corps and individuals, when each payment made, how much for all other PI's prior to DM

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takeover and following. The specifics on this stuff.

GA: Right.

J: Now, once again, this is in attorneys' offices and ... maybe they can find out how much is paid to the attorneys.

[Transcript of video recording, Nov 9, 84, page 16]

Attached as Exhibit E is a copy of Armstrong's handwritten "shopping list". Item number one on the list refers to the case of Lavenda Van Schaick v. Church of Scientology of California before the honorable Judge W. Arthur Garrity in the Massachusetts District Court. Armstrong is seeking the Church's legal strategy on this case in which his attorney, Michael J. Flynn, is attorney of record for Van Schaick.

Armstrong stated under oath on the witness stand that the materials he received from the Loyalists were forwarded to Michael Flynn.

E. Suborning perjury in order to cover up this extensive criminal conspiracy and particularly in order to

prevent any disclosure of Michael Flynn's involvement.

J: OK. Any news from Michael?

GA. No.

J: Great. I got this, this is good.

GA: By the way, I'll never admit that anything comes from Michael, including any complaints which I may have drafted.

J: Why's that?

GA: Because that's how I've got to approach it.

[Transcript of video recording, Nov 9, 84, page 6]

GA: OK. What are our conversations, should it come down to it?

J: What do you mean?

GA: What do we talk about? You're deposed. You walk out there and there's a PI--hands you a paper saying, 'You're deposed, Jack. And not only that, you're out of the organization.' And what do you say in deposition? 'Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate

the communication lines and spread turmoil and disaster.' You know. What are we doing here? That's my question, before I tell you my ideas on documents.

....

GA: So as far as the doc-- let me just say--ah-- you and I get together--we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long. Hence, we get together and discuss things. We have not discussed anything about a destruction of the tech or Scientology is bad, or anything like that. Are we agreed?

[Transcript of video recording, Nov 9, 84, page 9-10]

F. The extremes of illegality to which Armstrong was prepared to go in order to carry out this conspiracy is demonstrated by a blackmail and extortion scheme called "Long Prong" which Armstrong attempted to perpetrate. This was a plan to set up a senior Scientologist with a woman in order to upset his marriage, degrade his status and

blackmail his cooperation or force his removal (Exhibit F).

GA: The name of your girl? (sounding surprised) Oh, Carol, I tho... see, Carol is his wife's name, but they've had such a rocky marriage its been like off and on divorce as long as I've known the guy, since '77, so I just thought (throws up his hand) he's a possibility. I didn't know Carol, but thanks anyway (they both laugh) no, he told me that a real good looker and I thought, God, this is you know, an absolutely perfect opportunity because I think that, that, the way to the man's mind is through his cock. (sniggering as he speaks) those people especially, I mean none of the people in WDC or, or, you know, ASI, none of them have like, a lot of brain power. You know what I mean. They're not intellectual giants. And they definitely had rather shall we say (laughing and holding his middle) Phillistine tastes! (breaks out laughing again, slaps the bench with his hand, shifts around alot). And you know, there are alot of good looking women with Phillistine tastes! If you know what I mean, it's a possibility...

GA: You were going to say something?

J: (Says nothing)

GA: Did it happen?

J: No. So we say, you know if he gets set up with her...

GA: You know, if she's a good actress. You know, I was wondering about the E-Meter today. You know, it seems to me that the E-Meter reads if you don't know your story real well. If you've got your stories down, I don't think there'll be any problem. And I think she... I mean, I would like to have the opportunity to sort of (word) some of this off (sniggering and shifting on the bench). I just think you guys, I don't know if it's been tried before, but there's definitely a way to get to the top. That's been known in high political circles for a number of centuries. That could be a lot of fun.

[Transcript of video recording, Nov 7, 84, page 18]

6. The testimony of Mr. Armstrong and the evidence presented in the Christofferson case make clear that the

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intention was to plant phony documents in Church files in order to support the bringing of a law suit drafted by Flynn which would accomplish the objectives of:

A. Bringing about a coup d'etat within the Church thereby replacing the current leadership of the Church with individuals who would accede to a "global settlement" of the multitudinous litigation which Flynn and his cohorts have brought against the Church.

B. Exonerating Flynn in the conspiracy to steal, forge and pass a \$2,000,000.00 check on the account of L. Ron Hubbard.

7. Whatever the pretense in the body of the complaint drafted by Michael Flynn, it is clear from the evidence presented that the real purpose of filing a suit was to gain control of Church funds, and to bring the Church

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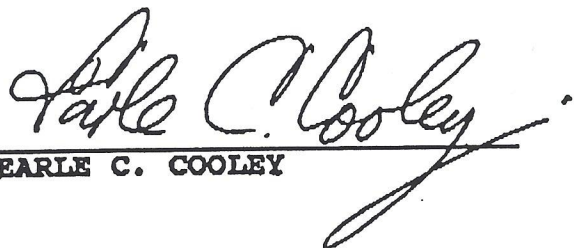
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of Scientology down completely through the taking over of
its management.

Signed under the pains and penalties of perjury this
14th day of April, 1985.


EARLE C. COOLEY